



DCMC Overhead Center

Leverage Command Resources...Field Focus

**Lt Col Kathryn Johnson
DCMDI-RO**

Who We Are...

DCMC

Overhead Center

- ✓ Rechartered in 1997
- ✓ A team of contracting, actuarial, legal, and pension/insurance specialists organized to support DCMC's ACOs

**Resident
Staff (11)**

**Contractor
Insurance
& Pension
Review
(CIPR)
Teams (29)**

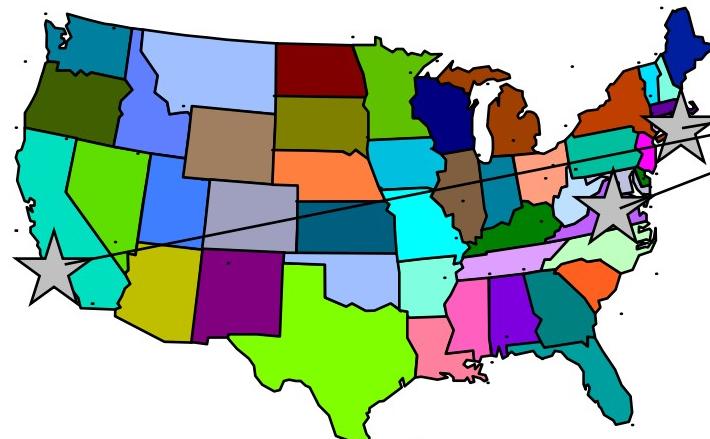
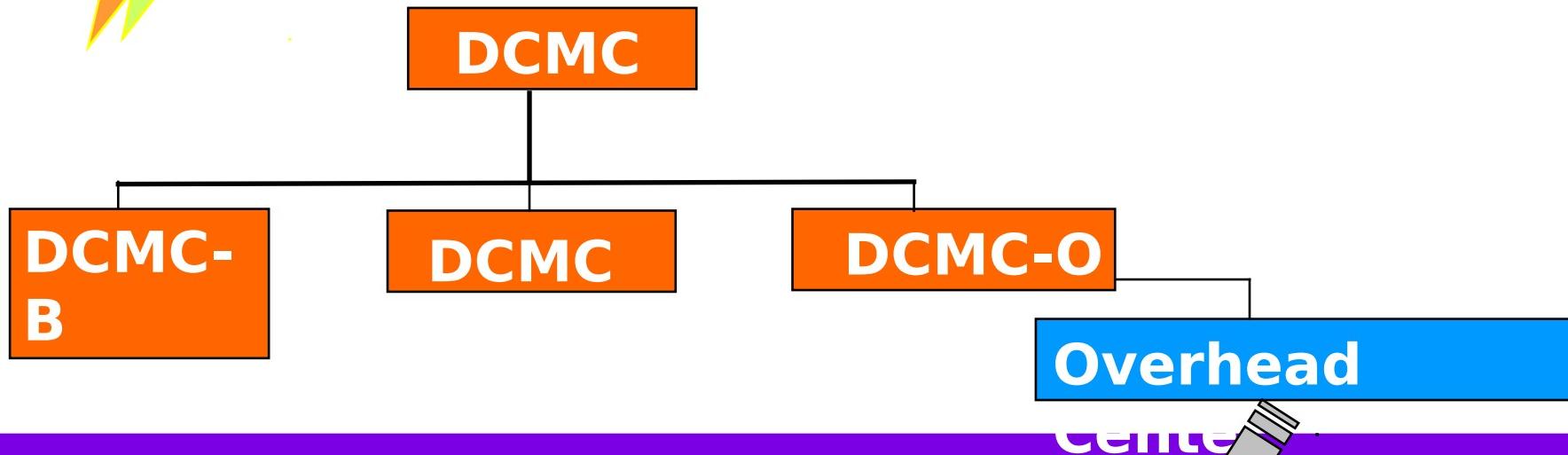
**Legal
Practice
Group
(3)**

DCMC's 1102 Force Multiplier

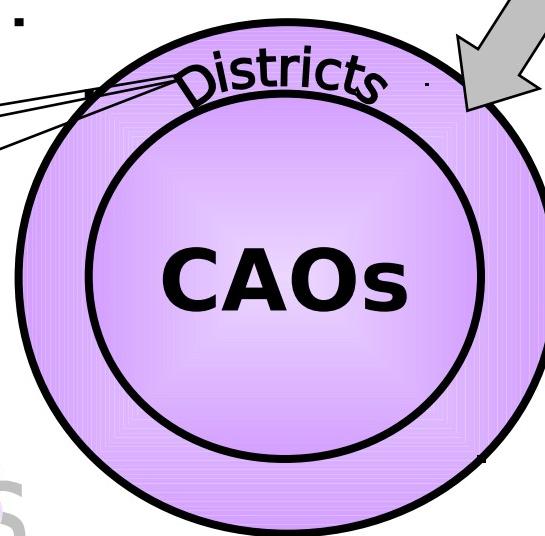


XXI

Where Do We Fit?



FIELD FOCUS





DCMC OVERHEAD CENTER

OUR FOCUS

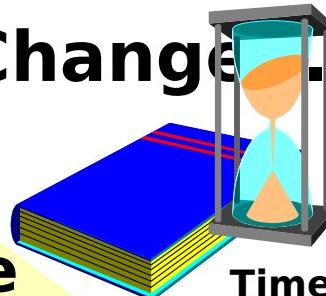
- Final Overhead Rate ✓ **INDIRECT COSTS =
53% OF PROCUREMENT
COSTS**
- CAS Noncompliances
- Forward Pricing Rate ✓ **SERVICES STRUGGLING TO
PAY "YESTERDAY'S BILLS"**
✓ **250 BENEFICIAL
SEGMENTS**
- Mergers/Acquisitions
- Pensions ✓ **VOLATILE
INDUSTRY
ENVIRONMENT**



DCMC OVERHEAD CENTER

Motivation for Change

DOD Guidance



Final Overhead
Rate
Settlement
TARGET:
24-36 month

870 overhead
years > 2 yrs
old

DCMC Backlog
from 1980s



275 CAS cases
over 12 mo.
old

Cancelling
Funds

No more M Accounts





XXI

Final Overhead Rate Settlements

DOD TARGET - 24 -36 Months

6 Months

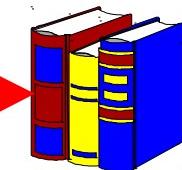
12 - 24 Months

6 Months

Contractor Proposal

Audit Report

ACO Negotiations



Key Focus:
Late proposals

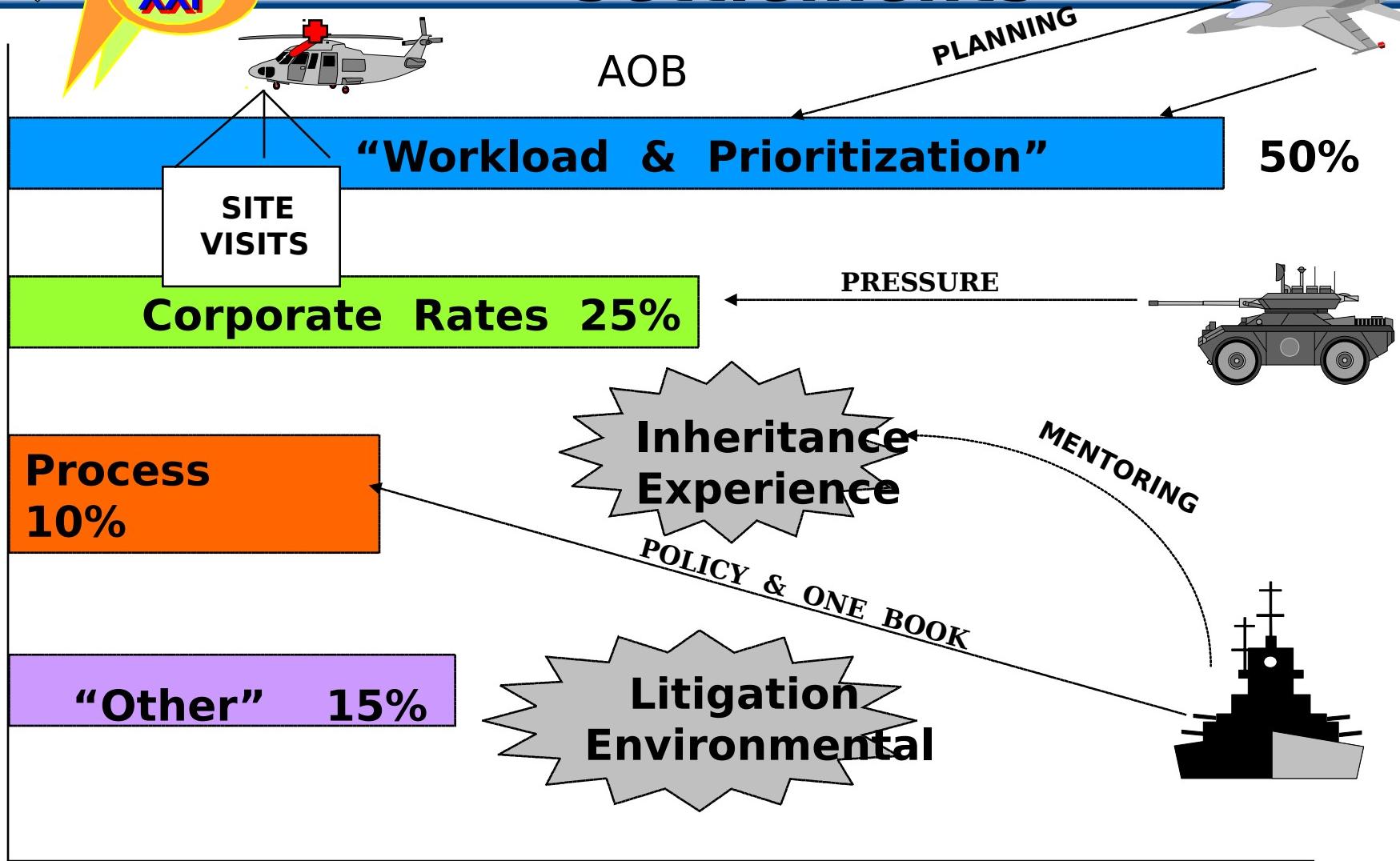
Major vs Nonmajor Contractors

FY99 Threshold
\$80M Auditable Dollar Volume

Key Focus:
ACOs complete all actions
(i.e. PNM, audit, penalties)



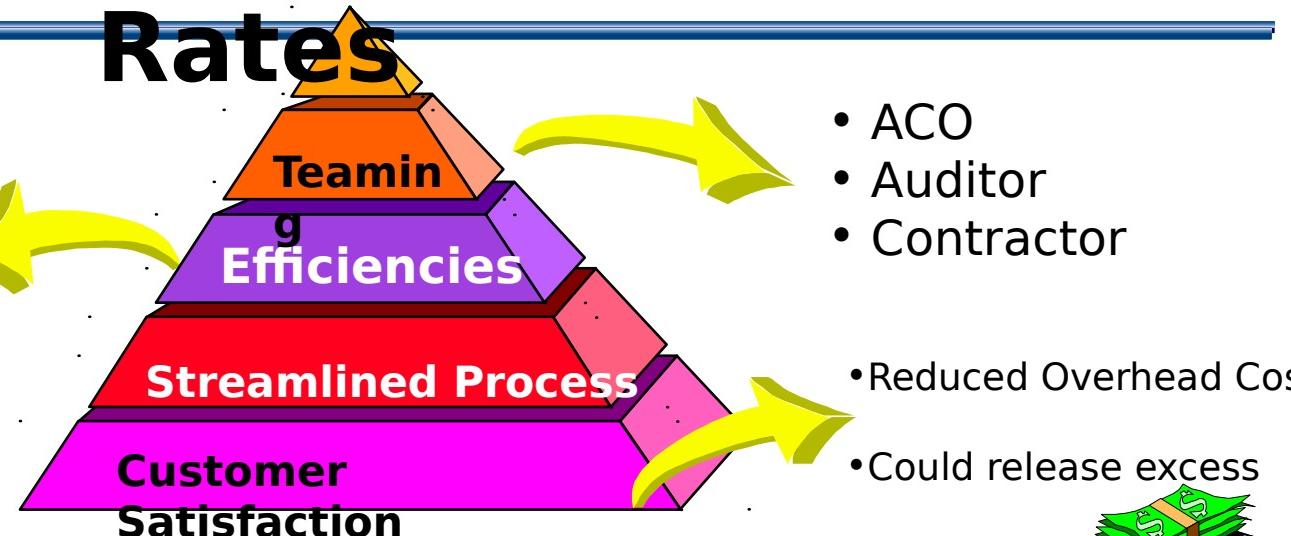
Final Overhead Rate Settlements



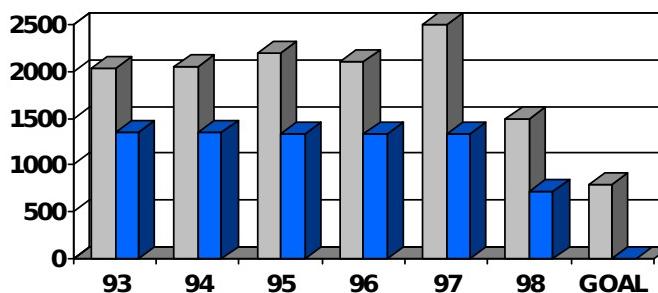


XXI

Real Time Rates

**OVERHEAD BACKLOG****REAL TIME RATES**

■ Workload ■ Backlog

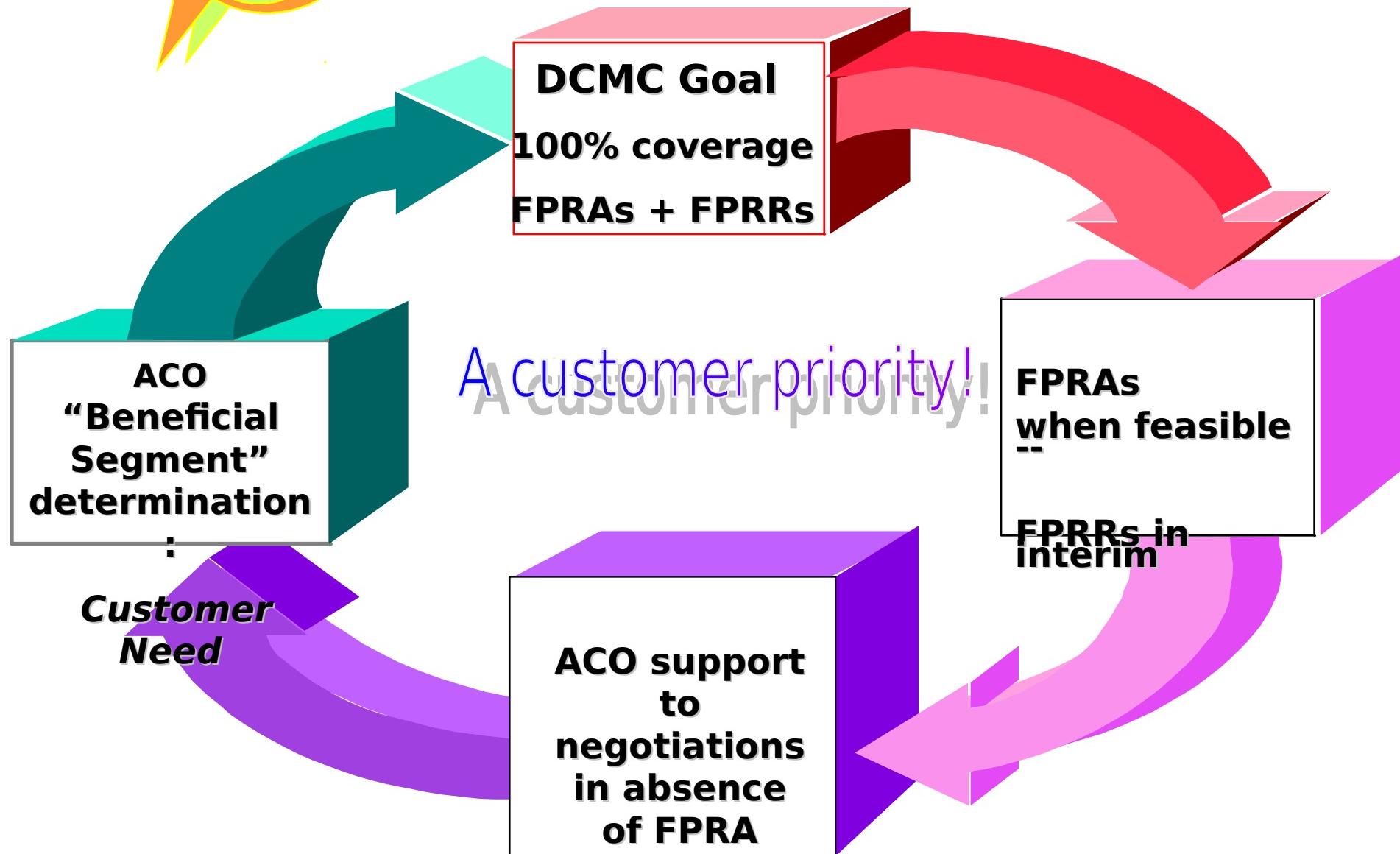


Review of contractor incurred costs in **CURRENT** year



XXI

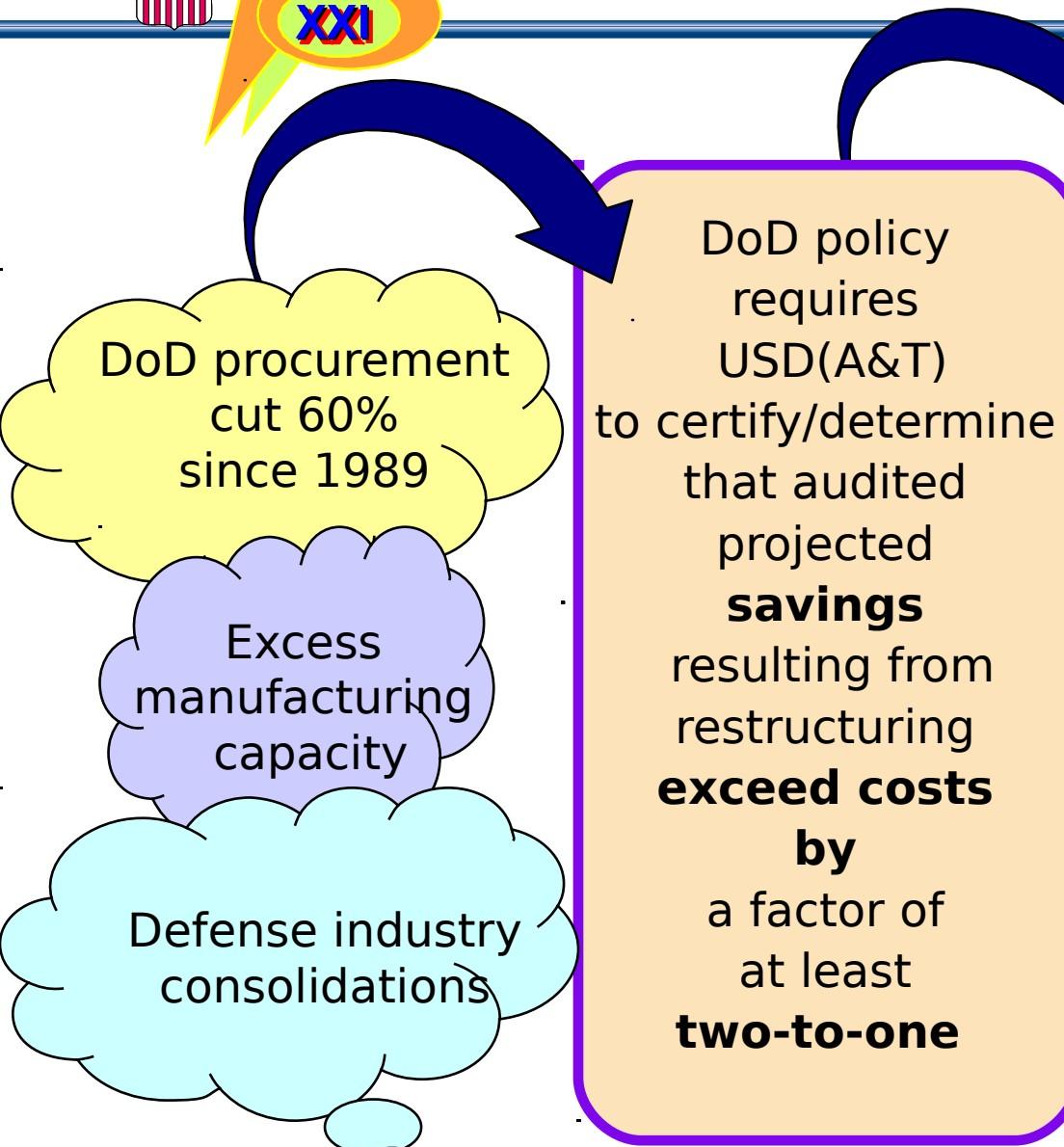
FORWARD PRICING COVERAGE





XXI

Mergers & Acquisitions



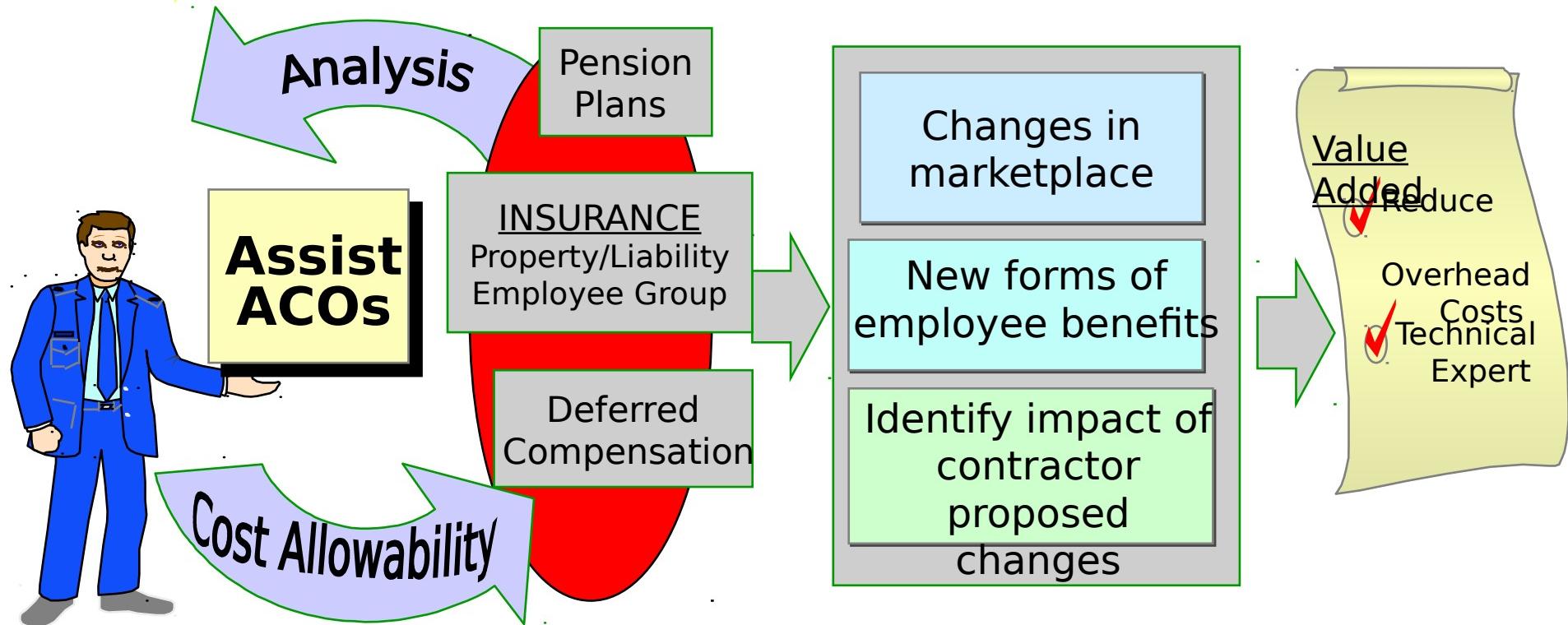
Overhead Center Assists ACOs with:

- ✓ Evaluating restructuring costs/savings
- ✓ Preparing recommendations for determination/certification
- ✓ Preparing advance agreements
- ✓ Preparing for DCMC Board of Review



XXI

Contractor Insurance/Pension Reviews



Process involves ACO, Contractor, Auditor, and CIPR specialist as an integrated team



Overhead Center Team Page

XXI

Your resource for
overhead information
on the Web!

www.dcmc.hq.dla.mil/Centers/Ohc/Index.htm

CIPR Training

**Final Overhead
Rates**

**Forward Pricing
Rates**

Real Time Rates

CACOs

Current Issue
Past Editions

REGULATIONS

- FAR, DFARS, 1Book, CAS, Bus Plan, Etc.

GUIDES

- Pricing, Incurred Cost, Parametric Pricing, Etc.

REFERENCE MATERIAL

- Treasury Rates, CAGE Codes, AMS Guide, CBD & Fed Register (daily updates), Etc.

INDUSTRY INFORMATION

CAS

CAFU

CIPR

Boards

**Final OH
Rates**

**Forward
Pricing**

**Reorganizatio
ns**

Penalties
Education

**List of DCEs &
CACOs**

**Topics for
DCMC/DCAA
Meetings**

**DSMC Indirect
Cost
Management
Guide**

**Policy & Info
Memos Re: OH
OHC Briefing
“Smart Bank”**

The screenshot shows the homepage of the Overhead Center. At the top center is the DCMC logo and the text "Headquarters Defense Contract Management Command". Below it is a large, colorful title "Overhead Center". A sidebar on the left lists navigation links: "Our Mission", "Key Topics & Lessons Learned" (last updated 04-23), "Our Initiatives" (last updated 04-24), "Overhead Center Legal Newsletter", "How to Contact Us" (last updated 04-23), "Information You Can Use" (last updated 04-27, with a "Take a look!" callout), and "Helpful Links" (last updated 04-29). At the bottom are links for "DCMC Homepage", "Our Team's Homepage", "Next Page" (with a right-pointing arrow), and "Send Us Email". The URL "www.dcmc.hq.dla.mil/Centers/Ohc/Index.htm" is prominently displayed at the bottom.

DCMC

Overhead Center Success...

“Establishing Relationships”

Since Jan 1997

- Open OH years decreased by 40%
- Unresolved CAS issues decreased by 46%

Planning
Measuring Success
Teaming with ACO and DCAA
Individual Leadership



DCMC OVERHEAD CENTER

RESIDENT STAFF

Lt Col Kathryn Johnson
Ms BK Huamani
Ms Myla Edwards
Mr Glenn Gulden
Mr Bill Hill
Ms Pat Janik
Mr George Matray
Mr John McPherson
Mr Pat Ring

CONTRACTOR INSURANCE & PENSION REVIEW (CIPR) TEAMS

Mr Bob Yesner - New York (12)
Mr Irv Finston - Chicago (10)
Mr Manny Teles - Los Angeles (7)

DEFENSE CORPORATE EXECUTIVES (DCEs)

Mr Steve Trautwein - Boeing
Mr Raymond Eichman (acting) - General Dynamics
Mr Ken Cavoli - General Electric
Mr Don Springer - Hughes/ Northrup Grumman
Mr Lou Becker - Lockheed Martin
Ms Denise Chezek - L3 Communications, Loral
Mr Don Pixley - McDonnell Douglas
Mr Herb Homer - Raytheon
Mr Rich Conroy - Textron
Mr Dave O'Brien - TRW
Mr Alan Tinti - UTC
Mr Tom Smith - Westinghouse

LEGAL PRACTICE GROUP

Mr Rob Burton
Mr Larry Rabyne
Mr Ray Wong